

Message Text

SECRET

PAGE 01 CAIRO 17727 231648Z
ACTION NODS-00

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TO SECSTATE WASHDC IMMEDIATE 9993

S E C R E T CAIRO 17727

NODIS

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR, EG, IS
SUBJECT: AMOCO DRILLING IN THE GULF OF SUEZ: RESPONSE TO FAHMY'S
COUNTER PROPOSAL

REF: STATE 308879

SUMMARY: IN DISCUSSION WITH FAHMY TDOAY, I CONVEYED
SUBSTANCE OF REFERENCE MESSAGE IN DETAIL. WHILE APPRE-
CIATING OUR SUPPORT, FAHMY SAID GOE CANNOT ACCEPT THE
PRINCIPLE THAT IT MUST REQUEST PERMISSION FROM ISRAELIS
TO DRILL IN ITS GULF OF SUEZ CONCESSION AREAS. SINCE WE
AND GOE HAVE SIMILAR LEGAL VIEWPOINTS, HE ASKED FOR OUR
UNDERSTANDING OF EGYPTIAN POSITION AND THAT WE SOMEHOW
FIND WAY TO ENABLE AMOCO TO RESUME DRILLING AT 304.1
BEFORE YOUR DEPARTURE FROM OFFICE. WE ARGUED THE QUES-
TION FOR AN HOUR, BUT FAHMY REMAINED ADAMANT. FAHMY
ARGUED ISRAELI NAVAL ACTION AGAINST AMOCO RIG IS CLEAR
VIOLATION ARTICLE I OF SINAI II PLEDING BOTH SIDES TO
SETTLE CONFLICT BY PEACEFUL MEANS. DOUBT THAT
THERE IS MUCH USE IN TRYING TO GO OVER FAHMY'S HEAD TO
SADAT SINCE I SUSPECT THE PRESIDENT WILL SUPPORT HIM.
MIGHT IT BE POSSIBLE TO TAKE UP ISSUE AGAIN WITH ISRAELIS,
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PERHAPS AT RABIN LEVEL, TO URGE THAT THEY RECONSIDER AND
ALLOW AMOCO TO RESUME WORK AT 304.1 WITHOUT CONDITIONS.
MATTER OF FURTHER DRILLING EAST OF ISRAELI-CLAIMED MEDIAN
LINE COULD BE LEFT FOR DISCUSSION IN FUTURE. DO NOT
KNOW WHAT POTENCY FAHMY'S ARUGMENT THAT ISRAELI NAVAL
ACTION AGAINST AMOCO IS VIOLATION OF ARTICLE I OF

SINI II MAY HAVE, BUT IT MIGHT BE WORTH A TRY. A BIT OF ISRAELI MAGNANIMITY NOW MIGHT BE HELPFUL TO US IN NEXT FEW MONTHS IN GETTING EGYPTIANS TO BE A LITTLE MORE TOLERANT OF PRESENT ISRAELI POLITICAL PREICAMENT WHICH IS LIKELY TO DELAY RESUMPTION OF SUBSTANTIVE ASPECTS OF ME PEACE PROCESS. END SUMMARY.

1. MET WITH FAHMY TODAY TO DISCUSS REF SUBJECT. AFTER TELLING HIM THAT YOU ENDORSE THE VIEWS I HAD MADE TO HIM EARLIER ON A PERSONAL BASIS (CAIRO 13869), I EMPHASIZED THAT YOU BELIEVE HIS THREE POINTS ARE ADEQUATELY ENCOMPASSED IN OUR PROPOSAL. I AGAIN ASSURED HIM THAT THE US LEGAL POSITION ON THE ISSUE FULLY SUPPORTS EGYPTIAN SOVEREIGNTY OVER THE RESOURCES OF THE GULF OF SUEZ AND OVER ISRAELI-OCCUPIED AREAS AND MADE THE SPECIFIC POINTS CITED IN THAT MESSAGE. TO PREVENT ANY CONFUSION, I GAVE HIM AN AIDE MEMOIRE ON THE SUBJECT.

2. FAHMY LISTENED CAREFULLY, BUT WAS VISIBLY DISAPPOINTED. HE SAID HE APPRECIATES OUR LEGAL POSITION AND SUPPORT, BUT FEELS THAT FROM POLITICAL POINT OF VIEW IT IS NOT ENOUGH. IF WE BELIEVE THAT OUR AND THE EGYPTIAN LEGAL POSITIONS ARE RIGHT, WE SHOULD FIND SOME WAY TO CONVINCE THE ISRAELIS T GIVE WAY. WE SHOULD UNDERSTAND THAT GOE CANNOT BE IN THE POSITION OF ASKING THE ISRAELIS FOR PERMISSION TO DRILL IN WHAT GOE REGARDS AS ITS TERRITORIAL WATERS. NO MATTER
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HOW WE CLOAK IT, THIS IS WHAT IT AMOUNTS TO. HE NOTED OUR LEGAL REFERENCE TO ISRAEL AS A "TEMPORARY BELLIGEREANT OCCUPANT", CLAIMING THE RIGHT TO PROHIBIT SUCH COMMERCIAL ACTIVITIES IN THE OCCUPIED AREAS, AND OBSERVED PARENTHETICALLY THAT THIS PROVES THAT ISRAEL, NOT EGYPT SHOULD BEGIN TO TAKE STEPS TO END THE STATE OF BELLIGERENCY BETWEEN THE TWO COUNTRIES IF IT IS REALLY SERIOUS ABOUT WANTING TO END BELLIGERENCY.

3. FROM THE EGYPTIAN POINT OF VIEW, FAHMY ARGUED, THE ISRAELI NAVAL ACTION IN "FORCING" AMOCO OUT OF 304.1 IS A VIOLATION OF ARTICLE I OF SINAI II, WHICH SPECIFICALLY STATS THAT THE CONFLICT BETWEEN THE PARTIES SHOULD NOT BE RESOLVED BY MILITARY FORCE, BUT BY PEACEFUL MEANS. THE ISRAELI NAVAL ACTIONS AGAINST AMOCO, FAHMY ISNSITED, REPRESENT AN ATTEMPT TO FORCE EGYPT TO NEGOTIATE THE ISSUE WITH ISRAEL. THIS IS UNACCEPTABLE TO EGYPT. HE ASKED

FOR OUR UNDERSTANDING OF THE GOE POSITION AND AGAIN URGED THAT YOU DO SOMETHING TO RESOLVE THIS ISSUE BEFORE LEAVING OFFICE. HE CLAIMED THAT HE HAD NOT CLEARED HIS EARLIER THREE POINTS WITH SADAT, BUT HAD THOUGHT HE COULD GET THE PRESIDENT'S APPROVAL IF WE WENT ALONG WITH HIM. HE SAW NO POINT IN PRESENTING OUR LATEST IDEAS TO SADAT, WHO HE WAS SURE WOULD REJECT THEM. WE ARGUED THE MATTER FOR AN HOUR, BUT FAHMY WAS ADAMANT. I FINALLY TOLD HIM I WOULD HAVE TO SEEK FURTHER INSTRUCTIONS.

4. RE PARA 3 REFTTEL, I SEE LITTLE POINT IN TRYING TO GO OVER FAHMY'S HEAD AND TAKING THE MATTER TO SADAT. THE PRESIDENT, WHO AS YOU KNOW ALSO HAS MISGIVINGS ABOUT THE PRINCIPLES INVOLVED, IS MORE LIKELY TO SUPPORT FAHMY IN THIS MATTER THAN TO OVER-RIDE HIM. SINCE I WAS NOT PRESENT DURING YOUR TALKS WITH ALLON, I DO NOT KNOW HOW MUCH FLEXIBILITY
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THERE IS IN THE ISRAELI POSITION. I WONDER, HOWEVER, WHETHER IT MIGHT BE POSSIBLE TO TAKE UP THE ISSUE AGAIN WITH THE ISRAELIS, PERHAPS AT THE RABIN LEVEL, TO URGE THAT THEY RECONSIDER AND ALLOW AMOCO TO RESUME WORK AT 304.1, LEAVING THE MATTER OF FURTHER DRILLING EAST OF THE ISRAELI-CLAIMED MEDIAN LINE FOR FURTHER DISCUSSION IN THE FUTURE. FAHMY'S POINT THAT THE ISRAELI ACTION AGAINST AMOCO AT 304.1 IS A VIOLATION OF ARTICLE I OF SINI II MAY HAVE SOME SUBSTANCE, AND I AM RATHER SURPRISED THAT FAHMY DID NOT RAISE IT BEFORE. I DO NOT KNOW WHETHER THIS ARGUMENT HAS ANY POTENCY WITH THE ISRAELIS, BUT IT MIGHT BE WORTH A TRY.

5. MOREOVER, WITH THE JOINT COMMISSION SCHEDULED TO MEET AGAIN ON DEC 28 (FOR THE FIRST TIME IN EIGHT MONTHS) WE COULD PERHAPS SUGGEST THAT THE ISRAELIS AND EGYPTIANS TRY TO USE THAT FORUM FOR ANY PROPOSED OIL DRILLING BEYOND 304.1. THE TWIN PROBLEMS OF (A) GOE UNWILLINGNESS IN PRINCIPLE TO ASK ISRAELI PERMISSION TO DRILL IN EGYPTIAN- CONCESSIONARY AREAS AND (B) ISRAEL'S DESIRE FOR A QUID-PRO-QUO IN CONNECTION WITH EACH SUCH ATTEMPTED DRILLING OPERATION WILL CONTINUE TO PLAGUE US, WHETHER THE ISSUE IS HANDLED IN THE JC OR BILATERALLY BETWEEN US AND THE ISRAELIS, AND WILL HAVE TO BE HANDLED IN THE FUTURE. THE IMMEDIATE ISSUE SEEMS TO BE WHETHER THERE IS SOME WAY IN WHICH WE CAN GET ISRAELI AGREEMENT TO ALLOW AMOCO TO RESUME OPERATIONS AT 304.1 ON AN AD HOC BASIS AND

WITHOUT CONDITION. PERHAPS THIS IS NOT POSSIBLE,
BUT A BIT OF MAGNANIMITY ON RABIN'S PART NOW MIGHT
BE HELPFUL IN GETTING THE EGYPTIANS TO BE A LITTLE
MORE TOLERANT OF THE PRESENT ISRAELI POLITICAL
PREDICAMENT WHICH MAY DELAY A RESUMPTION OF SUBSTANTIVE
ASPECTS OF THE MIDDLE EAST PEACE PROCESS. FAHMY IS
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NOT KNOWN FOR TOLERANCE, BUT IT WOULD BE HELPFUL
TO US IN POINTING OUT, AS NEEDED, ISRAELI GOOD WILL
GESTURES WHICH MIGHT BE RECIPROCATED.
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